

**Fitchburg gas and Electric Light Company**  
**Pension/PBOP Adjustment Factor Calculation for 2005\***  
 $PAF_x = ( RA_x + cc(URD_x + APPA_x - DTA_x) + PPRA_x ) / FkWh_x \text{ or } FTherm_x$

Line No.	Description	Electric	Gas	Total	Reference
A1	Gas/Electric Allocation Factor - FG&E Payroll/Labor	58.43%	41.57%	100.00%	
<b>I. Calculation of Reconciliation Adjustment: <math>RA_x</math></b>					
1	Unamortized Reconciliation Deferral at 12/31/03 (Year-Begin)	\$ 167,457	\$ 166,534	\$ 333,991	Schedule LMB - 3, L.9
2	2004 Pension & PBOP Expense	1,110,750	723,268	1,834,018	Schedule LMB - 2, L.21
3	Less: Pension & PBOP Expense in Base Rates	398,711	205,652	604,364	Schedule LMB - 4, L.13
4	2004 Reconciliation Deferral	712,038	517,616	1,229,654	L.2 - L.3
5	Less: Reconciliation Adjustment for 2004	-	-	-	No $RA_x$ in 2004
6	2004 Unamortized Reconciliation Deferral (Year-End)	879,496	684,149	1,563,645	L.1 + L.4 - L.5
7	<b>Reconciliation Adjustment for 2005</b>	<b>\$ 293,165</b>	<b>\$ 228,050</b>	<b>\$ 521,215</b>	L.6 / 3 years
<b>II. Calculation of Carrying Charge: <math>cc(URD_x + APPA_x - DTA_x)</math></b>					
8	Cost of capital factor	#REF!	#REF!		Schedule LMB - 6, L.4
9	2004 Unamortized Reconciliation Deferral (Year-End)	\$ 879,496	\$ 684,149	\$ 1,563,645	L.6
10	Deferred Tax on Unamortized Reconciliation Deferral	334,472	260,182	594,654	L.9 * 0.3803
11	Unamortized Reconciliation Deferral Subject to Carrying Charge	\$ 545,023	\$ 423,967	\$ 968,991	L.9 - L.10
12	<b>Carrying Charge on Unamortized Reconciliation Deferral</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	L.11 * L.8
13	Prepaid Pension @ 12/31/03	\$ 2,284,943	\$ 1,625,622	\$ 3,910,565	Exhibit LMB-4, p.1, * A1
14	Prepaid Pension @ 12/31/04	2,165,512	1,540,652	3,706,164	Exhibit LMB-4, p.1, * A1
15	2004 Average Prepaid Pension Amount	2,225,227	1,583,137	3,808,365	(L.13 + L.14) / 2
16	Deferred Tax on Prepaid Pension Amount	846,254	602,067	1,448,321	L.15 * 0.3803
17	Prepaid Pension Amount Subject to Carrying Charge	\$ 1,378,973	\$ 981,070	\$ 2,360,043	L.15 - L.16
18	Prepaid PBOP @ 12/31/03	\$ (226,729)	\$ (161,307)	\$ (388,036)	Exhibit LMB-4, p.2, * A1
19	Prepaid PBOP @ 12/31/04	\$ (778,927)	\$ (554,168)	\$ (1,333,095)	Exhibit LMB-4, p.2, * A1
20	2004 Average Prepaid PBOP Amount	(502,828)	(357,737)	(860,566)	(L.18 + L.19) / 2
21	Deferred Tax on PBOP Amount	(191,226)	(136,047)	(327,273)	L.20 * 0.3803
22	Prepaid PBOP Amount Subject to Carrying Charge	\$ (311,603)	\$ (221,690)	\$ (533,292)	L.20 - L.21
23	<b>Carrying Charge on Average Prepaid Amount</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	(L.17 + L.22) * L.8
24	<b>Total Carrying Charges</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	L.12 + L.23
<b>III. Past Period Reconciliation Amount: <math>PPRA_x</math></b>					
26	2004 Actual Pension/PBOP Adjustment Amount	\$ -	\$ -	\$ -	No PAF in 2004
27	Less: 2004 Actual Pension/PBOP Adjustment Revenue	-	-	-	No PAF in 2004
28	Prior Period Reconciliation Amount	\$ -	\$ -	\$ -	L.26 - L.27
29	Interest at Prime rate	-	-	-	Per 220 C.M.R. ¶ 6.08(2)
30	<b>Past Period Reconciliation Amount</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	L.28+ L.29
<b>IV. Forecasted Pension Adjustment Factor:</b>					
31	<b>Forecasted Pension/PBOP Adjustment Amount for 2005*</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	L.7 + L.24 + L.30
32	Forecasted kWh sales and Therm sales units	547,191,749 kiloWatt hours	26,122,700 Therms		Per Company Forecast
33	<b>Pension/PBOP Adjustment Factor for 2005*</b>	<b>#REF!</b>	<b>#REF!</b>		

\* Effective 1/1/05 for Electric, 11/1/04 for Gas

**Fitchburg gas and Electric Light Company**  
**Pension/PBOP Expense**  
**2004**

Line No.	Description	Electric	Gas	Total	Reference
A1	Gas/Electric Allocation Factor - FG&E Payroll/Labor	58.43%	41.57%	100.00%	
A2	USC Services Allocation	65.11%	34.89%	100.00%	
<b>I. Calculation of Pension Expense, net of amounts chargeable to capital</b>					
<b>I.a FG&amp;E Pension Expense, net:</b>					
1	2004 FG&E Pension Expense per Actuary	\$ 358,760	\$ 255,240	\$ 614,000	Exhibit LMB-4, p.3, * A1
2	Less: Amounts chargeable to capital	(147,702)	(105,082)	(252,784)	2004 rate = 41.17%
3	Total FG&E Pension Expense, net	<u>\$ 211,059</u>	<u>\$ 150,158</u>	<u>\$ 361,216</u>	L.1 - L.2
<b>I.b Unutil Service Pension Expense allocated to FG&amp;E, net:</b>					
4	2004 Unutil Service Pension Expense per Actuary	\$ 174,792	\$ 93,665	\$ 268,457	LMB-4,p.3*(43.51%=2004 allocator)*A2
5	Less: Amounts chargeable to capital	(40,744)	(21,833)	(62,577)	2004 rate = 23.31%
6	Total Unutil Service Pension Expense allocated to FG&E, net	<u>\$ 134,048</u>	<u>\$ 71,831</u>	<u>\$ 205,879</u>	L.4 - L.5
7	<b>Total 2004 FG&amp;E Pension Expense</b>	<u><b>\$ 345,107</b></u>	<u><b>\$ 221,989</b></u>	<u><b>\$ 567,096</b></u>	L.3 + L.6
<b>II. Calculation of PBOP Expense, net of amounts chargeable to capital</b>					
<b>II.a FG&amp;E PBOP Expense, net:</b>					
8	2004 FG&E PBOP Expense per Actuary	\$ 880,944	\$ 626,748	\$ 1,507,692	Exhibit LMB-4, p.7, * A1
9	Less: Amortization of Transition Obligation	-	-	-	
10	PBOP Expense, net of Transition Obligation	<u>\$ 880,944</u>	<u>\$ 626,748</u>	<u>\$ 1,507,692</u>	L.8 - L.9
11	Less: Amounts chargeable to capital	(362,685)	(258,032)	(620,717)	2004 rate = 41.17%
12	FG&E PBOP Expense, net	<u>\$ 518,260</u>	<u>\$ 368,716</u>	<u>\$ 886,975</u>	L.8 - L.11
<b>II.b Unutil Service PBOP Expense allocated to FG&amp;E, net:</b>					
13	2004 Unutil Service PBOP Expense per Actuary	\$ 322,576	\$ 172,856	\$ 495,432	LMB-4,p.7*(43.51%=2004 allocator)*A2
14	Less: Amortization of Transition Obligation	-	-	-	
15	PBOP Expense, net of Transition Obligation	<u>\$ 322,576</u>	<u>\$ 172,856</u>	<u>\$ 495,432</u>	L.13 - L.14
16	Less: Amounts chargeable to capital	(75,192)	(40,293)	(115,485)	2004 rate = 23.31%
17	Unutil Service PBOP Expense Allocated to FG&E, net	<u>\$ 247,383</u>	<u>\$ 132,564</u>	<u>\$ 379,947</u>	L.13 - L.16
18	<b>Total 2004 FG&amp;E PBOP Expense</b>	<u><b>\$ 765,643</b></u>	<u><b>\$ 501,279</b></u>	<u><b>\$ 1,266,922</b></u>	L.12 + - L.17
<b>III. Total 2004 PENSION/PBOP Expense, net of amounts chargeable to capital</b>					
19	Total 2004 FG&E Pension Expense	<u>\$ 345,107</u>	<u>\$ 221,989</u>	<u>\$ 567,096</u>	L.7
20	Total 2004 FG&E PBOP Expense	<u>765,643</u>	<u>501,279</u>	<u>1,266,922</u>	L.18
21	<b>Total 2004 FG&amp;E PENSION/PBOP EXPENSE</b>	<u><b>\$ 1,110,750</b></u>	<u><b>\$ 723,268</b></u>	<u><b>\$ 1,834,018</b></u>	L.19 + L.20

**Fitchburg gas and Electric Light Company**  
**Pension/PBOP Expense Unamortized Reconciliation Deferral**  
**at 12/31/2003**

Line No.	Description	Electric	Gas	Total	Reference
<b>I. Calculation of Pension Expense Regulatory Asset Deferral at 12/31/2003</b>					
1	Total 2003 FG&E Pension Expense	\$ 213,171	\$ 135,030	\$ 348,202	Schedule LMB - 5, L.19
2	Pension Expense Allowed in the Test Year	-	-	-	Schedule LMB - 4, L.11
3	<b>Pension Expense Deferral for 2003</b>	<b>\$ 213,171</b>	<b>\$ 135,030</b>	<b>\$ 348,202</b>	L.1 - L.2
<b>II. Calculation of PBOP Expense Regulatory Asset Deferral at 12/31/2003</b>					
4	Total 2003 FG&E PBOP Expense	\$ 352,997	\$ 237,156	\$ 590,153	Schedule LMB - 5, L.20
5	PBOP Expense Allowed in the Test Year	398,711	205,652	604,364	Schedule LMB - 4, L.12
6	<b>PBOP Expense Deferral for 2003</b>	<b>\$ (45,714)</b>	<b>\$ 31,504</b>	<b>\$ (14,211)</b>	L.4 - L.5
<b>III. Calculation of PENSION/PBOP Unamortized Reconciliation Deferral at 12/31/2003</b>					
7	Pension Expense Deferral for 2003	\$ 213,171	\$ 135,030	\$ 348,202	L.3
8	PBOP Expense Deferral for 2003	(45,714)	31,504	(14,211)	L.6
9	<b>Unamortized Reconciliation Deferral at 12/31/2003</b>	<b>\$ 167,457</b>	<b>\$ 166,534</b>	<b>\$ 333,991</b>	L.7 + L.8

**Fitchburg gas and Electric Light Company**  
**Pension/PBOP Expense in Base Rates**

Line No.	Description	Electric	Gas	Total	Reference
A2	USC Services Allocation	65.11%	34.89%	100.00%	
<b>I. Calculation of Pension Expense in Base Rates</b>					
1	Pension Expense Allowed in the Test Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	2001 Cost of Service
<b>II. Calculation of PBOP Expense in Base Rates</b>					
<b>II.a FG&amp;E PBOP Expense, net:</b>					
2	FG&E PBOP Expense in the Test Year	<u>\$ 371,820</u>	<u>\$ 191,242</u>	<u>\$ 563,062</u>	2001 Cost of Service
<b>II.b Unutil Service PBOP Expense allocated to FG&amp;E, net:</b>					
3	2001 Unutil Service PBOP (SFAS 106) Expense per Actuary	n/a	n/a	\$ 39,869	Per General Ledger
4	2001 Unutil Service PBOP Expense paid to URT	n/a	n/a	59,100	Per General Ledger
5	Total Unutil Service 2001 PBOP Expense			<u>\$ 98,969</u>	L.3 + L.4
6	Unutil Service Charges to FG&E as a % of Total Charges	n/a	n/a	53.04%	2001 allocation
7	Total FG&E PBOP Expense, net	n/a	n/a	<u>\$ 52,493</u>	L.5 * L.6
8	Less: Amounts chargeable to capital	n/a	n/a	(11,192)	2001 rate
9	Total Unutil Service PBOP Expense allocated to FG&E, net	<u>\$ 26,891</u>	<u>\$ 14,410</u>	<u>\$ 41,302</u>	L.7 - L.8; * A2
10	<b>II.c Total FG&amp;E PBOP Expense in the Test Year</b>	<u><u>\$ 398,711</u></u>	<u><u>\$ 205,652</u></u>	<u><u>\$ 604,364</u></u>	L. 2 + L.9
<b>III. Total PENSION/PBOP Expense in Base Rates:</b>					
11	2001 FG&E Test Year Pension Expense	\$ -	\$ -	\$ -	L.1
12	2001 FG&E Test Year PBOP Expense	<u>398,711</u>	<u>205,652</u>	<u>604,364</u>	L.10
13	<b>PENSION/PBOP Expense in Base Rates</b>	<u><u>\$ 398,711</u></u>	<u><u>\$ 205,652</u></u>	<u><u>\$ 604,364</u></u>	L.11 + L.12

**Fitchburg gas and Electric Light Company**  
**Pension/PBOP Expense**  
**2003**

Line No.	Description	Electric	Gas	Total	Reference
A1	Gas/Electric Allocation Factor - FG&E Payroll/Labor	58.43%	41.57%	100.00%	
A2	USC Services Allocation	65.11%	34.89%	100.00%	
<b>I. Calculation of Pension Expense, net of amounts chargeable to capital</b>					
<b>I.a FG&amp;E Pension Expense, net:</b>					
1	2003 FG&E Pension Expense per Actuary	\$ 201,354	\$ 143,254	\$ 344,608	Per General Ledger = G/L
2	Less: Amounts chargeable to capital	(82,898)	(58,977)	(141,875)	2003 rate = 41.17%
3	Total FG&E Pension Expense, net	<u>\$ 118,457</u>	<u>\$ 84,276</u>	<u>\$ 202,733</u>	L.1 - L.2
<b>I.b Unitil Service Pension Expense allocated to FG&amp;E, net:</b>					
4	2003 Unitil Service Pension Expense per Actuary	\$ 123,503	\$ 66,181	\$ 189,684	Per G/L*2003 allocation = 43.51%
5	Less: Amounts chargeable to capital	(28,789)	(15,427)	(44,215)	2003 rate = 23.31%
6	Total Unitil Service Pension Expense allocated to FG&E, net	<u>\$ 94,715</u>	<u>\$ 50,754</u>	<u>\$ 145,469</u>	L.4 - L.5
7	<b>Total 2003 FG&amp;E Pension Expense</b>	<u><b>\$ 213,171</b></u>	<u><b>\$ 135,030</b></u>	<u><b>\$ 348,202</b></u>	L.3 + L.6
<b>II. Calculation of PBOP Expense, net of amounts chargeable to capital</b>					
<b>II.a FG&amp;E PBOP Expense, net:</b>					
8	2003 FG&E PBOP Expense	\$ 464,653	\$ 330,577	\$ 795,230	Per General Ledger = G/L
9	Less: Amortization of Transition Obligation	-	-	-	Per Actuary report
10	PBOP Expense, net of Transition Obligation	<u>\$ 464,653</u>	<u>\$ 330,577</u>	<u>\$ 795,230</u>	L.8 - L.9
11	Less: Amounts chargeable to capital	(191,298)	(136,099)	(327,396)	2003 rate = 41.17%
12	FG&E PBOP Expense, net	<u>\$ 273,355</u>	<u>\$ 194,479</u>	<u>\$ 467,834</u>	L.8 - L.11
<b>II.b Unitil Service PBOP Expense allocated to FG&amp;E, net:</b>					
13	2003 Unitil Service PBOP Expense per Actuary	\$ 103,849	\$ 55,649	\$ 159,498	Per G/L*2003 allocation = 43.51%
14	Less: Amortization of Transition Obligation	-	-	-	Per Actuary Report * 43.51%
15	PBOP Expense, net of Transition Obligation	<u>\$ 103,849</u>	<u>\$ 55,649</u>	<u>\$ 159,498</u>	L.13 - L.14
16	Less: Amounts chargeable to capital	(24,207)	(12,972)	(37,179)	2003 rate = 23.31%
17	Unitil Service PBOP Expense Allocated to FG&E, net	<u>\$ 79,642</u>	<u>\$ 42,677</u>	<u>\$ 122,319</u>	L.13 - L.16
18	<b>Total 2003 FG&amp;E PBOP Expense:</b>	<u><b>\$ 352,997</b></u>	<u><b>\$ 237,156</b></u>	<u><b>\$ 590,153</b></u>	L.12 + L.17
<b>III. Total 2003 PENSION/PBOP Expense, net of amounts chargeable to capital</b>					
19	<b>Total 2003 FG&amp;E Pension Expense</b>	<u><b>\$ 213,171</b></u>	<u><b>\$ 135,030</b></u>	<u><b>\$ 348,202</b></u>	L.7
20	<b>Total 2003 FG&amp;E PBOP Expense</b>	<u><b>352,997</b></u>	<u><b>237,156</b></u>	<u><b>590,153</b></u>	L.18
21	<b>Total 2003 FG&amp;E PENSION/PBOP EXPENSE</b>	<u><b>\$ 566,169</b></u>	<u><b>\$ 372,186</b></u>	<u><b>\$ 938,354</b></u>	L.19 + L.20